



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Wednesday, July 12, 2006

Electricity

APS' 1,243 MW Palo Verde 1 Nuke Unit in Arizona Ramps Up to 90 Percent July 12

The unit was running at 65 percent of capacity yesterday after reconnecting to the power grid on July 7.
Reuters, 07:38 July 12, 2006

PSEG's 1,049 MW Hope Creek Nuke in New Jersey Unit Reduced to 85 Percent July 12

The plant was running at full power yesterday.
Reuters, 07:30 July 12, 2006

Update: LS Power's 754 MW Moss Landing 6 Gas-fired Unit in California Returns July 11

The unit came back online after a two-day unplanned outage.
Reuters, 18:37

Construction Resumes at Wayzata's 285 MW Mint Farm Power Station in Washington

Wayzata Investment Partners has resumed construction of the project which has been delayed for 4 years.
Reuters, 08:07 July 12, 2006

NRC Approves Power Increase to 610 MW from 525 MW at Constellation's R.E. Ginna Nuke Unit in New York

Reuters, 15:33 July 11, 2006

Rate of Fuel Switching at Electric Utilities Highest in 10 Years

Electric utilities are switching from oil to natural gas at an accelerated rate – the highest in the last ten years. According to analysts, the high price of oil is the leading cause contributing to the rise in fuel switching.
http://www.energyintel.com/PublicationHomePage.asp?publication_id=5

Petroleum

Murphy's 120,000 b/d Meraux, Louisiana Refinery Back Except for Alkylation Unit

There is no timetable for when the shut alkylation unit will return. The refinery can produce 8,500 b/d of alkylates according to EIA data. The refinery was shut completely after suffering flooding damage following Hurricane Katrina.
Reuters, 12:55 July 12, 2006

Sulfur Unit Has Leak at BP's 460,000 b/d Texas City, Texas Refinery July 11

A line at the sulfur recovery unit leaked sour water to a concrete pad, with emissions lasting one hour. The company has not said whether operations have been affected at the plant. The refinery is currently running at 200,000 b/d, down from its 460,000 b/d rated capacity.
Reuters, 10:49 July 12, 2006

U.S. Tanker Fleet May Shrink, Replacement Costs High for Vessels Being Phased-Out

According to ship owners and industry sources, environmental legislation for phasing out single-hulled vessels could cause a significant reduction in the size of the U.S.-flagged oil tanker fleet. About half of the U.S.-flagged product tanker fleet must be replaced before deadlines are reached in 2010 and 2015 that will bar them coming into a U.S. port. High shipbuilding costs and a heavy backlog at U.S. shipyards are deterring tanker owners from signing up for new ships.

Reuters, 12:46 July 12, 2006

Update: BTC Pipeline to be Inaugurated July 13

On July 13, the leaders of Azerbaijan, Georgia, and Turkey will inaugurate the recently completed Baku-Tbilisi-Ceyhan Pipeline that runs through the three nations and terminates at the port of Ceyhan. At present, the capacity of the new line is 430,000 b/d; the line is expected to be expanded to a capacity of 1,000,000 b/d by 2008. The BTC pipeline will load 284,000 b/d in August, up from 213,000 b/d in July.

http://biz.yahoo.com/ap/060712/pipeline_to_europe.html?.v=1

Reuters, 11:32 July 12, 2006

Venezuela's Oil Sales to U.S. Fall as Chavez Boosts Asian Exports

According to EIA data, Venezuelan oil shipments to the U.S. have dropped 6 percent in the first four months of 2006 because Venezuelan President Hugo Chavez has been sending more oil to markets in China and India, which are far more distant and more expensive to export to. Venezuela supplied 11.7 percent of total U.S. oil imports in 2005.

Bloomberg News, 11:09 July 12, 2006

Natural Gas

Update: Gas Line Was Tampered With in Collapsed Manhattan Building

Police found evidence that a gas line in the basement of the building that exploded in Manhattan on Monday had been tampered with. They believe that the incident may have been a suicide attempt by the building's owner.

Reuters, 17:23 July 11, 2006

FERC Warns Alaska Gas Line Could be Marginalized Due to Delays and Inaction

On July 10, FERC released a report to Congress regarding the proposed pipeline to bring natural gas from Alaska to the Lower 48 states. In the report, FERC warned that Alaska may be marginalized as a supplier to meet domestic natural gas demand because extensive investments in LNG import capacity elsewhere in United States could result in potential customers turning to gas imported as LNG rather than that from Alaskan supply. FERC argued that the future and economic feasibility of Alaska's pipeline project may be at risk if delays in reaching an agreement continue.

http://www.ktva.com/alaska/ci_4034364

<http://powermarketers.net/content/inc.net/newsreader.asp?ppa=8kowu%5D%5BifhgmpTTfc%7DGJ%7Bbfel%5Dv>

Producers Looking for Natural Gas in Shale Deposits in Oklahoma and Arkansas

Chesapeake Energy Corporation and Devon Energy Corporation are exploring new shale activity in Oklahoma and Arkansas. The Caney, the Woodford, and the Fayetteville shale formations have large deposits of gas and could be as productive as the Barnett Shale, which currently produces about 1.2bcf/day.

<http://www.kten.com/Global/story.asp?S=5129310>

Other News

FuelCell Energy Inc Unit Able to Rapidly Switch Between Fuels Successfully Tested at DOD Facility

FuelCell Energy, Inc. announced that its stationary power plants' ability to switch rapidly between fuels was successfully tested at the Fuel Cell Test and Evaluation Center of the Department of Defense. The power plant involves dual fuel capability, where the plant can continue to generate base load electricity on a secondary fuel supply, such as propane, should the primary fuel source be lost.

<http://biz.yahoo.com/bw/060711/20060711005582.html?.v=1>

Energy Prices

U.S. Oil and Gas Prices July 12, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	74.95	75.20	60.49
NATURAL GAS Henry Hub \$/Million Btu	5.66	5.70	7.79

Source: Reuters

Energy Notes

IEA Expects World Oil Demand to Rise by 11.7 million b/d by 2011

<http://www.platts.com/Oil/News/8530800.xml?p=Oil/News&sub=Oil>

Massachusetts Issues Draft Report on Proposed LNG Terminal in Massachusetts Bay

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kouw%5D%5BifhgmpTTfc%7DGJ%7Bbfel%5Dv>

Libya Expects to Increase Crude Production 2 Mil b/d by Mid-2007

<http://www.platts.com/Oil/News/9085313.xml?p=Oil/News&sub=Oil>

Reuters, 23:17 July 12, 2006

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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